

# Economic Development Incentives Report FY 2009-2010

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Prepared for: Walton County Board of County Commissioners, DeFuniak Springs City Council, Freeport City Council, Paxton City Council

Prepared by: Walton County Economic Development Alliance  
95 Circle Drive, DeFuniak Springs, Florida 32435  
850.892.4859; fax 850.892.9688  
[www.wcedafl.com](http://www.wcedafl.com)



**Abstract:** During the 2010 Regular Session, the Florida Legislature enacted Committee Substitute for Senate Bill 1752, relating to economic development, which was later codified as Chapter 2010-147, Laws of Florida. This act imposes new economic development reporting requirements on county and municipal governments. The new legislation requires that a contract between a local government (or an economic development agency acting on behalf of the local government) and an economic development agency or organization (EDO) must require the EDO to submit a report to the local government detailing how the funds were spent and the results of the agency's efforts. The following report includes areas of interest such as: amount of funds received from the local government; amount of funds received from private investors; administrative costs of the WCEDA; the number of businesses assisted by the EDO and the type of assistance.

**Attachments:**

- I. Walton County Economic Development Alliance Financial Report Profit & Loss Budget vs. Actual October 2009 through September 2010
- II. Walton County Economic Development Alliance Profit and Loss Budget Overview October 2009-September 2010

The Walton County Economic Development Alliance (WCEDA) is a 501(c)6 non-profit, public/private organization devoted to providing a unified voice for economic development in Walton County. Formed in 2008 the organization is primarily funded by the County and its three cities: DeFuniak Springs, Freeport and Paxton and features private sector membership.

The WCEDA's mission is to be Walton County's driving force for a collaborative leadership, leveraged by public and private members, working to retain and attract businesses, promote sustainable development, address infrastructure challenges and improve quality of life.

The full service economic development organization serves the County and its three cities and focuses on the following: business retention and expansion, business recruitment/attraction, product development, small business development, and community development.

The following report chronicles the WCEDA's funding/budget for Fiscal Year 2009-2010 as well as the uses of and outcomes of public and private funds. Areas of interest included in this report are funding/budget information, customized business assistance efforts and outcomes, general assistance efforts and outcomes, financial assistance information, and marketing efforts and outcomes.

#### **Areas of Interest:**

##### **I. Funding and Budget:**

- a. Public Funds Received From Local Government – 10/2009-9/2010:
  - i. Walton County Board of County Commissioners: \$243,000.00
  - ii. City of DeFuniak Springs: \$14,396.00
  - iii. City of Freeport: \$3,600.00
  - iv. City of Paxton: \$1,000.00
- b. Amount of Funds Received From Private Investors – 10/2009-9/2009:  
\$34,575.00
- c. Administrative Costs of the WCEDA – 10/2009-9/2010:
  - i. Payroll Expenses (including taxes and benefits): \$91,825.64
  - ii. Other Administrative Costs (including rent, insurance, telephone, supplies/postage, equipment, payroll processing, professional service (managing contract with the Chamber of Commerce), legal fees, website/IT services, miscellaneous, printing): \$79,130.63
  - iii. Total Administrative Costs (Payroll and Other): \$170,956.27
- d. Marketing Expenses of the WCEDA – 10/2009-9/2010:

During FY 2009 - 2010 the WCEDA contracted with Moore Consulting Group to

develop the organization's website ([www.wcedafl.com](http://www.wcedafl.com)), other marketing and branding materials, and launch a county-wide business branding/marketing campaign. Reference section V, paragraph c for more information.

i. Total Marketing Costs: \$79,260.00.

e. Additional costs of the WCEDA - During FY 2009-2010:

For information regarding additional costs such as travel, dues/subscriptions, tradeshow/conferences, training & development, projects, small business, business recruitment, and business retention please reference Attachment I.

II. Customized Business Assistance:

a. Site Selection:

- i. Assisted over 10 local businesses, seeking to expand their operations, with site selection information.
- ii. Assisted over 4 outside businesses, seeking to locate within Walton County, with site selection information.

b. Permitting and Licensing:

- i. Assisted at least 1 local business with information on permitting and licensing.
- ii. Obtained state and local development permits for the master-planned Walton County Industrial Park at Freeport in efforts to create "shovel-ready" sites. Reference Product Development in section V, paragraph b for more information.

c. Incentives Education and Referral (federal or state):

- i. Provided technical assistance to one local business wishing to expand within Walton County regarding application to the State's Qualified Target Industry Tax Refund (QTI). The business was approved for the QTI, and is scheduled to receive \$96,000.00 over a five year period.
- ii. Provided educational information to at least 5 local businesses regarding state incentives.
- iii. Provided information regarding Rural Enterprise Zone benefits to at least 10 eligible businesses. Created an Enterprise Zone Benefits brochure for distribution.

d. One on One Business Counseling Services: Contracted with the Small Business Development Center at the University of West Florida for two business analysts to hold office hours at the two Walton Area Chamber of Commerce locations. Through this contract the analysts provided business counseling

services (including: marketing, business planning, financing, etc.) to over 20 Walton County businesses.

III. General Assistance:

- a. Demographics and Market Research: Provided County/City demographics and industry information to over 50 interested parties (members of the public and/or businesses owners).
- b. Workforce Assistance: Referred over five local business owners to JobsPlus and the Workforce Development Board of Okaloosa and Walton Counties (the lead agency for workforce information, grants, training, recruitment, and screening and placement of new employees.)
  - i. One Walton County business was approved in September of 2010 for an incumbent worker training grant in the amount of \$9,000.00.
- c. Forums and Workshops: Hosted over 3 workshops, free of charge to Walton County businesses/business owners, in partnership with the Small Business Development Center at UWF.
  1. How to Start A Business Workshop: over 15 attendees.
  2. Business Financing Workshop: 0 attendees.
  3. Oil Spill Economic Relief Workshop: over 40 attendees.

IV. Financial Assistance:

- a. The WCEDA does not provide direct loans to businesses.
- b. The WCEDA does assist local businesses (at least 15 during FY2009-2010) through referrals to commercial lenders, USDA rural development, the SBDC who also assist business owners with financing, and SBA programs.

V. Results of the Efforts outlined in Areas of Interest and Other Information:

Although the tangible outcomes, capital investments, and job creation of many of the businesses that the WCEDA assisted throughout FY2009-2010 will be evidenced at a later date, two of the businesses that the WCEDA assisted during this year have already received incentives and/or committed to capital investments and job creation within Walton County.

The business that was assisted by the WCEDA in making application to the State's Qualified Target Industry Tax Refund program was approved for the QTI incentive and is scheduled to receive \$96,000.00, distributed through yearly payments beginning in FY2011-2012 and ending in FY2015-2016. The local match, typically required by the QTI program, was waived for Walton County.

This company has pledged a capital investment of \$3,000,000.00 - \$4,000,000.00 in addition to the retention of 6 and the creation of 20 new jobs in Walton County. Capital investments and job creation will most likely occur in FY2011-2012.

Another business that was supported by the WCEDA in site selection assistance throughout FY2009-2010 has pledged to construct a 20,000 sq.ft. re-distribution facility and locate 60 jobs in Walton County. Facility construction and job creation will most likely occur between the years of 2011-2013.

a. Emergency Bridge Loan Program:

Scarlett Phaneuf, Managing Director of the WCEDA served as the Community Representative on the Emergency Bridge Loan Committee during the summer of 2010. In Walton County, 17 businesses, representing over 112 employees, were approved totaling \$425,000 dollars in loans. The loans were vital for most businesses, allowing them in some cases to keep their doors open and retain employees.

b. Product Development:

This year the Walton County Economic Development Council (managed by the WCEDA) contracted with Goodwyn, Mills, and Cawood to complete a master plan for the Walton County Industrial Park at Freeport Phase II of which they are the sole owners. The firm completed the master plan featuring frangible lot lines to accommodate an individual businesses' need for acreage, a master storm water system, and utilities and infrastructure to service the entire property.

The master plan has been permitted by all state agencies and a development order for the infrastructure and utilities has been granted by the City of Freeport. A prospective tenant will only need to secure local permits for a project within the Park, a process which the City of Freeport has expedited for these specific cases.

Application by the City of Freeport to the state's Economic Development Transportation Fund has been approved for the design and construction of the industrial access road, and construction of this and other infrastructure will most likely begin in FY2010-2011.

The WCEDA has also been assisting the Walton County Board of County Commissioners with the development of shovel ready sites in the Northwest Florida Commerce Park at Mossy Head. The WCEDA has also been involved in discussions and negotiations with prospective tenants for the Park.

c. Marketing:

During FY2009-2010 the WCEDA contracted with Moore Consulting Group for the design of a website, logo, branding, and other collateral marketing materials. The marketing materials, including post card campaigns, have been used to increase internal awareness, throughout the County, of the mission and services of the WCEDA as well as to attract or recruit outside businesses.

Advertisements promoting the competitive business climate of Walton County featured the WCEDA's logo and branding designs were run in print copies of ResortQuest's In-Room Concierge (a piece that is placed in the rooms and condos of local popular resorts), the Atlanta Business Journal (online and print), and Southwest Airline's Spirit Magazine August edition featuring an economic development advertorial on Northwest Florida.

The intent of the ResortQuest piece was to target business executives who may be in the area on business or vacation. The Atlanta Business Journal online advertisements were successful in directing internet traffic to our website and the site was the second referral engine only falling behind Google in number of on-line referrals.

A post card marketing campaign was sent directly to a network of over 1,000 site selection consultants announcing the debut of our new website. Over three tradeshow and conferences were attended by the Director of the WCEDA that year which also provided marketing opportunities.

Outcomes of the marketing campaign included the launch of a new website, production of collateral materials, and increased awareness both internally and externally of the County's and Cities' competitive business climate and products.

VI. Conclusion:

The Walton County Economic Development Alliance is primarily funded through contributions of the four municipalities in Walton County (Walton County, DeFuniak Springs, Freeport, and Paxton) and private sector membership dues. Those funds allow the WCEDA to provide services for County-wide business retention and expansion, product development (“shovel-ready” industrial sites), business branding/marketing, community development, small business development, and business attraction/recruitment.

The budget of the Walton County Economic Development Alliance includes administrative/office, marketing, traveling, programs and events, training and development of staff, and dues and subscriptions costs. Please see Attachment II for more information regarding the budget of FY2009-2010.